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*Andrew M. Bateman  
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May 21, 2018

**VIA ELECTRONIC FILING**

Jocelyn G. Boyd, Esquire  
Chief Clerk & Administrator  
Public Service Commission of South Carolina  
101 Executive Center Drive, Suite 100  
Columbia, South Carolina 29210

**Re: Request for Modification of Rate Schedule without Hearing Gross-up Fees for  
Contributions in Aid of Construction ("CIAC")  
Docket No. 2017-381-A**

Dear Ms. Boyd:

By this letter, the South Carolina Office of Regulatory Staff ("ORS") hereby notifies the Public Service Commission of South Carolina ("Commission") that ORS has reviewed the Request filed by CUC, Inc. ("CUC") on May 2, 2018, in the above referenced Docket. ORS does not object to CUC's request to approve a tariff provision in its current rate schedule.

ORS requests the Commission require CUC to publish a Notice of this filing in a newspaper of general circulation and provide a copy of the filing to the county administrator. ORS is aware the Home Builders Association of South Carolina, the Building Industry Association and other entities may be impacted by CUC's request. CUC's request is made in response to ORS's recommendation to require utilities to report the anticipated effect of the Tax Cuts and Jobs Act ("Tax Act"), including the impact on CIAC.

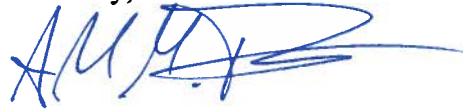
The Tax Act changed the tax impact on CIAC such that CIAC will now be treated as income for tax purposes. CUC requests the Commission approve a provision in its current rate schedule that would allow CUC to collect, from persons or entities required to make CIAC, the amount of income tax imposed as a result of the Tax Act. CUC has requested this amount to be \$33.24 for every \$100 in CIAC, as was approved in Commission Order No. 2018-252.

Letter – Jocelyn G. Boyd, Esquire  
May 21, 2018  
Page 2 of 2

CUC requests to collect the gross tax cost of CIAC from the contributor. The Commission has approved this method in Order No. 88-237, when it implemented the Tax Reform Act of 1986. According to CUC, the requested modification only impacts customers who make CIAC and will be a pass through for the payment of taxes owed on CIAC.

Thank you for the opportunity to provide comments in this matter.

Sincerely,



Andrew M. Bateman

cc: Parties of Record  
Joseph Melchers, Esquire (via E-mail)